



STATE OF INDIANA
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November 14, 2011

Board of Directors
Convention and Visitors Bureau
Of Henry County, Inc.
3205 S. Memorial Dr.
New Castle, IN 47362

We have reviewed the audit report prepared by Fred Prall & Company, PC, Independent Public Accountants, for the period January 1, 2008 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Convention and Visitors Bureau of Henry County, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

CONVENTION AND VISITORS BUREAU OF HENRY COUNTY, INC.

AUDITED FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2008 and 2009**





FRED PRALL & COMPANY, P.C.
Certified Public Accountants

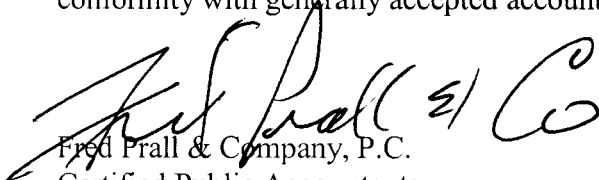
REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Convention and Visitors Bureau of Henry County, Inc.

We have audited the accompanying Balance Sheets of the Convention and Visitors Bureau of Henry County, Inc. as of December 31, 2008 and 2009 and the related Statements of Activities and Changes in Fund Balances and Statements of Cash Flows for the years then ended. These Financial Statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Convention and Visitors Bureau of Henry County, Inc. as of December 31, 2008 and 2009 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



Fred Prall & Company, P.C.
Certified Public Accountants

February 2, 2010

Financial Statements

Convention and Visitors Bureau of Henry County, Inc.

Years ended December 31, 2008 and 2009

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Convention & Visitors Bureau of Henry County, Inc.
BALANCE SHEET
December 31, 2008 & 2009

ASSETS

	2009	2008
CURRENT ASSETS		
Checking - Citizens	\$ 3,192	\$ (28)
Petty Cash	3	46
Savings - Citizens	8,949	18,539
Special Event Checking - CSB	12,393	11,359
Total Cash	24,536	29,916
Accounts Receivable	4,500	0
Prepaid Expenses	3,000	13,802
Total Current Assets	32,036	43,718
PROPERTY AND EQUIPMENT		
Fixed assets	17,561	14,989
Accumulated Dep-Fixed Assets	(10,637)	(7,137)
Office Buidling & Land	80,000	0
Accumulated Dep-Bldg	(840)	0
Total Property and Equipment	86,084	7,852
OTHER ASSETS		
Security Deposits	25	424
Total Other Assets	25	424
TOTAL ASSETS	\$ 118,146	\$ 51,994

The accompanying notes are an intergal part of these financial statements.

Convention & Visitors Bureau of Henry County, Inc.
BALANCE SHEET
December 31, 2008 & 2009

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accounts Payable	\$ 0	\$ 175
Visa	63	0
Prepaid Deposits	6,634	0
Payroll Liabilities	1,038	1,188
Current Portion of Long Term De	6,000	0
Total Current Liabilities	13,735	1,363
LONG-TERM LIABILITIES		
Office Building Land Contract	78,084	0
Less CPLTD	(6,000)	0
Total Long-Term Liabilities	72,084	0
Total Liabilities	85,819	1,363
NET ASSETS		
Unrestricted Fund Balance	32,327	50,483
Total Net Assets	32,327	50,631
TOTAL LIABILITIES AND NET ASSETS	\$ 118,146	\$ 51,994

The accompanying notes are an integral part of these financial statements.

Convention & Visitors Bureau of Henry County, Inc.

STATEMENT OF ACTIVITIES

Twelve Months Ended December 31, 2008 & 2009

	<u>12 Months Ended Dec. 31, 2009</u>	<u>12 Months Ended Dec. 31, 2008</u>
Revenue		
Allocation from Commission	\$ 107,773	\$ 118,965
Commission 20% of Unused Budget	331	1,378
Grants	0	3,000
Miscellaneous Income	<u>413</u>	<u>774</u>
Total Revenue	108,517	124,117
Operating Expenses		
Advertising & Marketing	30,842	25,820
Depreciation	4,340	3,000
Fees & Dues	1,213	2,674
Insurance	655	2,080
Interest Office Building	1,718	0
Legal & Accounting	325	1,790
Meeting Expenses	642	1,164
Office Building Expense	2,626	0
Office Rent	7,612	10,678
Office Supplies	2,254	1,646
Payroll Expenses	61,328	58,831
Postage	395	308
Repairs/Maintenance	310	845
Sports Coordinator Contract	3,000	6,000
Travel & Entertainment	3,391	3,392
Utilities	<u>5,894</u>	<u>5,723</u>
Total Operating Expenses	<u>126,545</u>	<u>123,951</u>
Operating Income (Loss)	(18,028)	166
Other Income		
Sports & Events Income	<u>1,940</u>	<u>4,590</u>
Other Expenses		
Sports & Events Expense	<u>2,217</u>	<u>4,608</u>
Change in Net Assets	(18,305)	148
Net Assets Beginning of Year	<u>50,631</u>	<u>50,483</u>
Net Assets at End of Year	<u>\$ 32,327</u>	<u>\$ 50,631</u>

The accompanying notes are an integral part of these financial statements

Convention & Visitors Bureau of Henry County, Inc.
STATEMENT OF CASH FLOWS
 Twelve Months Ended December 31, 2009

	<u>12 Months E... December 3...</u>	<u>12 Months E... December 31...</u>
CASH FLOWS FROM OPERATING ACTIVIT...		
Net Income (Loss)	\$ (18,305)	\$ 148
Adjustments to reconcile Net Income (Loss)...		
Depreciation Fixed Assets	3,500	3,000
Depreciation -Bldg	840	0
(Increase) Decrease in:		
Accounts Receivable	(4,500)	15
Prepaid Expenses	10,802	(1,352)
Increase (Decrease) in:		
Accounts Payable	(175)	(1,425)
Visa	63	0
Prepaid Deposits	6,634	0
Payroll Liabilities	(151)	(85)
	<u>17,014</u>	<u>154</u>
Total Adjustments		
	<u>17,014</u>	<u>154</u>
Net Cash Provided By (Used In) Operati...	(1,291)	302
CASH FLOWS FROM INVESTING ACTIVITI...		
Fixed assets	(2,572)	0
Office Buidling & Land	(80,000)	0
Security Deposits	399	0
	<u>399</u>	<u>0</u>
Net Cash Provided By (Used In) Investi...	(82,173)	0
CASH FLOWS FROM FINANCING ACTIVITI...		
Office Building Land Contract	78,084	0
	<u>78,084</u>	<u>0</u>
Net Cash Provided By (Used In) Financi...	78,084	0
NET INCREASE (DECREASE) IN CASH	(5,380)	302
CASH AT BEGINNING OF PERIOD	<u>29,916</u>	<u>29,615</u>
CASH AT END OF PERIOD	<u>\$ 24,536</u>	<u>\$ 29,916</u>

The accompanying notes are an intergal part of these financial statements.

Convention and Visitors Bureau of Henry County, Inc.
NOTES TO FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

The mission of the Convention and Visitors Bureau of Henry County, Inc. is "To promote Economic Development in Henry County, Indiana through promotion and expansion of the visitor/tourism industry." The agency operates from Innkeepers taxes received and disbursed to them via the Henry County Tourism Commission.

Cash & Cash Equivalents:

Cash and Cash Equivalents include cash, a special events account and petty cash.

Property and Equipment:

The agency has adopted the policy of depreciating fixed assets on straight line over five years. The depreciation for the new office was set for twenty five years.

Donated Services:

No amounts are reflected in the financial statements for donated services.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - INCOME TAX STATUS:

The agency is a not-for-profit and is exempt from Federal and State income taxes pursuant to the provisions of section 501(c) 6 of the Internal Revenue Code. Therefore no provisions for taxes have been made.



NOTE 3 - MAJOR FUNDING:

The agency receives for the year ended 2009 approximately 98% of its funding from innkeepers taxes disbursed to them via the Henry County Tourism Commission. The Commission also approves their budget and approves their awards annually. However, as experienced in 2008 and to a much larger degree in 2009 the Commission is limited in honoring its awards by the innkeepers tax funds the Henry County Treasurer actually receives. In 2009 The Commission was \$18,002 short in of their awards budget. Continued significant reductions in distribution of the awards could result in significant reductions in service operations.

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Note 4 – Office Building

During 2009, the agency acquired land and a facility at 3205 S Memorial Drive New Castle, In. for their offices. The property was acquired via a land contract with the owner without a down payment. The contract is payable monthly over ten years at a fixed interest rate of 6.5%. The payments are level for the term at \$908.39 per month.

Note 5 – Prepaid Receipts and Disbursements

The agency's activities encompass long range planning often requiring advance cash deposits for products or services to be provided in a future period. Likewise funds may be received from sponsors and underwriters well in advance of the events. These sums are recognized on the balance sheet as current assets or current liabilities.

